

Today, it has grown into the largest Valley-based bank with nearly \$387 million in assets and more than 230 employees with nine branches and eight specialty credit centers.

Community Health Systemso Fresno is a \$400 million-a-year organization that employs more than 4,700 people and has a medical staff of more than 1,100 physicians. Its chief executive officer is Dr. J. Philip Hinton.

Duncan Enterprises of Fresno makes paint and other items for hobbyists. The company expects a 37 percent growth in sales this fiscal year. Duncan Enterprises has been a fixture in Fresno for many years. The company brought the assets of a Massachusetts company and planned to move its operations to Fresno over six months. It worked with the production employees of the company to allow them to stay employed during the phase-out of the operation, while also coordinating training for them in resume writing and interviewing skills.

Valley Public Television of Fresno has operated the San Joaquin Valley's only public television station from its Fresno studios since 1977. It has continued over the years to provide services and programs to meet the diverse demands of the changing community. Colin Dougherty serves as the general manager and executive director of the station.

Denham Personnel Services of Fresno was founded 28 years ago by B. G. "Bud" and Jean Denham. It started off as a single office and has grown to include offices in Madera and Selma and a full-time staff of 14. On every working day of the year, an estimated 200-300 people in the Valley get up and go to work because they have been placed in jobs by Denham Personnel Services.

Sherwood Lehman Massucco, Inc. of Fresno is an executive search firm that has been finding top management talent for companies located in Central California since 1978. The firm believes in recruiting locally if possible, but has extensive experience in nationwide searches when the best candidate is not available in the Valley.

Pearson Realty of Fresno was founded in 1919 and has become one of the largest independently owned commercial real estate firms in the Valley. Its farm division is the largest in California and possibly the nation. The company pays a portion of net profit back to employees in the form of bonuses.

Gottschalks, Inc. of Fresno was founded in 1903 in downtown Fresno by Emil Gottschalk. The regional retailer has grown to 37 department stores and 22 specialty stores employing more than 5,500 people at sites in California, Nevada, Washington and Oregon. It is the only Central Valley-based company traded on the New York Stock Exchange, going public in 1986.

Hall of Fame winner, Marilyn Hamilton of Fresno had a sudden turn of events in her life almost 20 years ago when she became paralyzed in a hang-gliding accident. Frustrated by the clunky design of her wheelchair, Hamilton and two hanglider friends built their own lightweight chairs. They formed Motion Designs, which was bought by Sunrise Medical in 1986. Hamilton is now vice president of consumer development at Sunrise, and the Quickie wheelchair she designed has become an industry leader.

Mr. Speaker, it is with great honor that I congratulate these fine businesses and business leaders in the community. These excep-

tional businesses and business leaders were honored for their unique contributions to the business community and exemplary business skills. I ask my colleagues to join me in wishing Kuckenbecker Tractor of Madera, Boys and Girls Clubs of Fresno County, Bank of the Sierra of Porterville, Community Health System of Fresno, Duncan Enterprises of Fresno, Valley Public Television of Fresno, Denham Personnel Services of Fresno, Sherwood Lehman Massucco, Inc., Pearson Realty of Fresno, Gottschalks Inc. of Fresno, and Hall of Fame winner, Marilyn Hamilton of Fresno many more years of continued success.

CLASSIFICATION OF NATURAL
GAS GATHERING LINES

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 20, 1998

Mr. SAM JOHNSON of Texas. Mr. Speaker, today I have introduced legislation, H.R.—to provide much needed certainty with respect to the proper depreciation classification of natural gas gathering lines. Natural gas gathering lines play an integral role in the production and processing of natural gas as they are used to carry gas from the wellhead to a gas processing unit or interconnection with a transmission pipeline. In many instances, the gathering network for a single gas field can consist of hundreds of miles and represents a substantial investment for natural gas processors.

The proper depreciation classification for specific assets is determined by reference to the asset guideline class that describes the property. Asset class 13.2, subject to a 7-year cost recovery period, clearly includes:

... assets used by petroleum and natural gas producers for drilling wells and production of petroleum and natural gas, including gathering pipelines and related production facilities.

Not only are gathering lines specifically referenced in asset class 13.2, but gathering lines are integral to the extraction and production process. Nonetheless, it has come to my attention that some Internal Revenue Service auditors now seek to categorize natural gas gathering lines as assets subject to a 15-year cost recovery period under asset class 46.0, titled "Pipeline Transportation."

Over the past several years, I have corresponded and met with officials of the Department of Treasury seeking clarification of Internal Revenue Service policy and the issuance of guidance to taxpayers as to the proper treatment of these assets for depreciation purposes. These efforts have been to no avail. In the meantime, the continued controversy over this issue has imposed significant costs on the gas processing industry on audit and in litigation, and has resulted in a division of authority among the lower courts as to the proper depreciation of these assets. While it is not my intent to interfere with ongoing litigation, I do believe that legislation is needed to clarify the treatment of these assets under the Internal Revenue Code in order to provide certainty to the industry for tax planning purposes, and to avoid costly and protracted audits or litigation.

Accordingly, I have introduced legislation that would amend the Internal Revenue Code

to specifically provide that natural gas gathering lines are subject to a 7-year cost recovery period. While I believe that this result should be axiomatic under existing law, this bill would eliminate any uncertainty surrounding the proper treatment of these assets. The bill also includes a proper definition of "natural gas gathering lines" to distinguish these assets from pipeline transportation for purposes of depreciation.

I urge my colleagues to support this important legislation.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**SECTION 1. NATURAL GAS GATHERING LINES
TREATED AS 7-YEAR PROPERTY.**

(a) IN GENERAL.—Subparagraph (C) of section 168(e)(3) of the Internal Revenue Code of 1986 (relating to classification of certain property) is amended by redesignating clause (ii) as clause (iii) and by inserting after clause (i) the following new clause:

"(ii) any natural gas gathering line, and".

(b) NATURAL GAS GATHERING LINE.—Subsection (i) of section 168 of such Code is amended by adding at the end the following new paragraph:

"(15) NATURAL GAS GATHERING LINE.—The term 'natural gas gathering line' means the pipe, equipment, and appurtenances used to deliver natural gas from the wellhead to the point at which such gas first reaches—

"(A) a gas processing plant,

"(B) an interconnection with an interstate natural-gas company (as defined in section 2(6) of the Natural Gas Act), or

"(C) an interconnection with an intrastate transmission pipeline."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service before, on, or after the date of the enactment of this Act.

ON THE SPEAKER'S VISION FOR
HEALTH IN THE 21ST CENTURY

HON. RICHARD K. ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 20, 1998

Mr. ARMEY. Mr. Speaker, I would like to insert in the record a transcript of a recent speech on the subject of health in the 21st century by the Speaker of the House, the gentleman from Georgia, Mr. GINGRICH.

As is so often the case, this speech by the gentleman, given to the American Association of Health Plans in mid-February, is full of insight.

At a time when the liberals and some doctors' associations are pressing for new government mandates on health insurance companies, and President Clinton is trying to achieve socialized medicine incrementally, it is important that we step back, as the Speaker wisely observes, and rethink the whole question of how to improve health and not just health care or health insurance.

In the coming health-care revolution, which promises to be an age of highly informed consumers and entrepreneurial doctors and insurers coming together to provide ever greater quality for customers at ever lower cost—in such an age the old prescriptions of regulation and mandates will be shown for the anachronisms they really are.

America's health-care system, for all its many faults, is still the best system in the